

SUPPLEMENTAL

COUNCIL AGENDA: 06-21-05

ITEM: 8.4

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen
William F. Sherry

SUBJECT: SEE BELOW

DATE: 06-14-05

Approved

Date

6/14/05

Council District: Citywide

**SUBJECT: NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT
USO/ PARKING REVENUE CONTROL MODULAR OFFICES**

REASON FOR SUPPLEMENTAL MEMO

To provide additional information after bids were opened.

RECOMMENDATION

Approval to reject all bids for the Norman Y. Mineta San José International Airport-
USO/Parking Revenue Control Modular Offices contract and authorization for the Director of
Public Works to re-advertise and rebid the project.

CEQA: Resolutions No. 67380 and 71451, PP 05-075

BACKGROUND

The existing USO (United Service Organizations) and Parking Revenue Control offices consist of five separate buildings located between Terminal Drive and Airport Boulevard south of the Terminal A Garage. This complex needs to be relocated to accommodate the widening and improvement of Terminal Drive for the North Concourse.

The USO provides support services to traveling United States Military personnel and their families. The Parking Revenue Control facilities contain offices, computer equipment, and maintenance shops for two Airport vendors that provide parking revenue collection, accounting, information technology, and maintenance services.

The USO/Parking Revenue Control Modular Offices contract provides two modular structures to be used for these relocated operations. Utility hookups, site work, information technology facilities, and an emergency power generator will be furnished under separate contracts.

The USO will be located next to the north entrance to Terminal A, providing convenient access to Terminal A and the bus to Terminal C, and out of the way of current planned Airport improvements. The new Parking Revenue Control facility will be located at the north end of the Airport in an area being vacated as a taxi queue as a result of the pending Airport On-Demand Ground Transportation Dispatching Services agreement. These locations are temporary as the operations will ultimately be located, per the Master Plan, within the future Central Terminal and adjacent Central Parking Garage.

ANALYSIS

Bids were opened on May 17, 2005 with the following bid results.

<u>Contractor</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Designed Building Systems, Inc. (Dublin)	\$896,000.00	\$46,000.00	5.41
Engineer's Estimate	\$850,000.00	---	---
Pacific Mobile Structures, Inc. (Modesto)	\$625,203.35	\$224,796.65	(26.44)
Resun Leasing, Inc. (Houston, TX)	\$617,766.00	\$232,224.00	(27.32)
US Modular Group, Inc. (Orange, CA)	\$578,250.00	\$271,750.00	(31.97)

The three lowest bidders included conditions, clarifications, and exceptions in the bids that were inconsistent with the specifications for the project. The two lowest bidders submitted bids that stated "prices are valid for thirty days." The Standard Specifications require that bidders keep their bids open for ninety (90) days following the opening of proposals. The third lowest bidder included additional bid items in the schedule of quantities. These conditions impact the price of the project, and therefore cannot be waived as minor irregularities. Therefore, these bids are non-responsive.

The lone responsive bid submitted by Designed Building Systems, Inc. is 43% higher than the next lowest bid. Significant cost savings should be achieved by rebidding the project. Rebidding the project will not significantly delay the subsequent North Concourse Roadway construction.

Staff has revised the plans and specifications to direct their attention to the Standard Specification requirement that bidders keep their bids open for ninety (90) days following the opening of proposals and that proposals may be rejected if they show any alteration of form, additions not called for, or conditional bids. Staff has also revised the plans and specifications to include more specific detail concerning materials and the scope of work. In an effort to award

06-14-05

Subject: SJC – USO/Parking Revenue Control Modular Offices

Page 3

the contract as soon as possible, staff has proceeded to re-advertise the project, subject to the Council approval of this recommendation to reject all bids and re-advertise and rebid the project.

AIRPORT MASTER PLAN CONSISTENCY

The San José Municipal Code requires that capital projects at the Airport be consistent with the adopted Airport Master Plan. The relocation of the USO and parking vendor modular facilities for the North Concourse roadway improvements is a necessary component of the Central Terminal project expressly identified in the Airport Master Plan as Project "T-5", and is therefore consistent with the Master Plan pursuant to Municipal Code Section 25.04.210(B)(2).

OUTCOME

Rejection of these bids and authorization to re-bid will enable the Department of Public Works to re-advertise for bids in order to obtain a bid within the project budget and move forward with the project.

PUBLIC OUTREACH

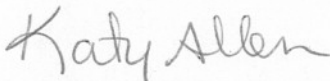
To solicit contractors the project will be listed on the City's Internet Bid Line and advertised in the *San Jose Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

COORDINATION

This project and memorandum have been coordinated with the City Attorney's Office, City Manager's Office and Department of Planning, Building and Code Enforcement.

CEQA

Resolutions No. 67380 and 71451, PP 05-075.



KATY ALLEN
Director, Public Works Department

DM:Rp



WILLIAM F. SHERRY, A.A. E.
Director of Aviation
Airport Department